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SENATE BILL 2786 By Cohen

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 53, relative to state government quality management and improvement.

WHEREAS, the State Government Quality Improvement Act of 1992 created the State Government Quality Improvement Task Force to investigate total quality management and to develop a plan for implementation which would incorporate the principals of quality service for state government, including customer service, performance measurements, employee participation, recognition training, top management commitment and continuous improvement; and

WHEREAS, the Task Force included a distinguished panel of private citizens, including the President of Tennessee Eastman which won the Malcolm Balridge Award; who met diligently to prepare a report as charged under Tennessee Code Annotated, §4-3-5301 et. seq.; and

WHEREAS, successful models for Quality Management processes encompass several elements, including measurement and management with data, see <a href="Task Force's">Task Force's</a>
<a href="Recommendations for a Tennessee Quality Management Process">Totober 1992</a>, Page 2; and

WHERES, the appeal of Quality Management is evident - lower cost and greater output with higher quality and improved employee morale, see <u>Task Force's Recommendations for a Tennessee Quality Management Process</u>, October 1992, Page 5; and

WHEREAS, the Quality Management process assists in the development of strategic plans for each state agency, see <u>Task Force's Recommendations for a Tennessee Quality</u>

<u>Management Process</u>, October 1992, Page 6; and

WHEREAS, clear objectives and goals are derived from definitions of an agency's mission and vision, see <u>Task Force's Recommendations for a Tennessee Quality Management Process</u>, October 1992, Page 7; and

WHEREAS, the elements of the customized strategic implementation plan include mission, implementation, structure, leadership, data collection and analysis, strategic planning, employee involvement and empowerment, customer satisfaction, and results, see <u>Task Force's Recommendations for a Tennessee Quality Management Process</u>, October 1992, Page 12; and

WHEREAS, through "Performance Measurement", an agency's improvement can be quantified and measured, see <u>Task Force's Recommendations for a Tennessee Quality</u>

Management Process, October 1992, Page 13; and

WHEREAS, the State Government Quality Improvement Task Force reported that the successful implementation of a quality management process in Tennessee state government will improve the state's capacity to deliver quality services to the public through more effective operations; and

WHEREAS, the State Government Quality Improvement Task Force recommended the establishment of a quality council with the purposes of establishing policies and monitoring the implementation of quality management and the creation of an Office of Quality Development within the Department of Finance and Administration; and

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WHEREAS, the governor of Tennessee, by executive order number 57, dated March 8, 1994, ordered the chief executive of each agency within Tennessee state government to customize and implement a strategy for their agency; and

WHEREAS, the governor of Tennessee, by executive order number 57, dated March 8, 1994, ordered the establishment of an Office of Quality Development within the Department of Finance and Administration and a Quality Management Council and prescribed the duties of such Office and Council; and

WHEREAS, the Office of Quality Management still exists but was subsequently transferred to the Department of Personnel; and

WHEREAS, the General Assembly finds that the establishment and duties of "performance measurement" through total quality management still need to be performed; now, therefore.

## BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 53, is amended by adding the following as new sections:

**4-3-5306.** There is established within the Department of Finance and Administration an Office of Quality Development.

## **4-3-5307.** The Office of Quality Development shall:

- (1) Serve as a central coordinating agency to initiate, focus, support, and oversee the implementation of a quality management process within state government;
- (2) Assist and support state agencies by providing information and consultation toward understanding the philosophy of quality management as such agencies become part of a statewide process for continuous quality improvement, including performance measurement through strategic planning;

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- (3) Promote the institutionalization of quality management by tracking quality initiatives and reporting successes throughout state government;
- (4) Coordinate and provide, in collaboration with the Department of Personnel, for necessary quality management training resources for state agencies to promote a commitment to the successful implementation of quality management; and
- (5) Serve as staff to the Quality Management Council established under this act.
- **4-3-5308.** (a) There is established a State Government Quality Management Council.
- (b) The Quality Management Council shall be composed of eleven (11) members, which shall consist of the following:
  - (1) Two (2) members of the senate, recommended by the speaker and minority leader of the senate, whose terms shall correspond with that of the speaker;
  - (2) Two (2) members of the house of representatives, recommended by the speaker and the minority leader of the house of representatives, whose terms shall correspond with that of the speaker;
  - (3) The commissioner of finance and administration or the commissioner's designee, who shall be the chairperson of the quality management council;
    - (4) The commissioner of personnel or the commissioner's designee;
    - (5) The comptroller of the treasury or the comptroller's designee;
  - (6) An executive or career service state employee, appointed by the governor, whose initial term shall expire January 31, 2001. Thereafter, the term shall be two (2) years;

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- (7) A representative of the Tennessee State Employee Association, recommended by the Tennessee State Employee Association Board of Directors, whose initial term shall expire January 31, 2001. Thereafter, the term shall be two (2) years; and
- (8) Two (2) private citizens, appointed by the governor, who have demonstrated expertise and experience in implementing quality management, whose initial term shall expire January 31, 2001. Thereafter, the term shall be two (2) years.
- **4-3-5309.** The duties and responsibilities of the quality management council shall include the following:
  - (1) Designation of agencies for the implementation of quality management and access to training investment funds;
  - (2) Periodically review the continuing progress of previously selected agencies;
  - (3) Identify means to remove barriers to the implementation of quality management in state government; and
  - (4) Monitor the Tennessee quality management process and annually report to the governor and the general assembly regarding the continuous improvement of state government's processes for institutionalizing the principles and practices of quality management.
- **4-3-5310.** (a) All legislative members of the quality management council shall be paid for attending council meetings as provided in Tennessee Code Annotated, Section 3-1-106.
- (b) Non-legislative members of the quality management council shall receive no compensation but may be reimbursed for expenses in accordance with the provisions of

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the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

(c) All expenses of the Quality Management Council shall be born by the Department of Finance and Administration.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring

it.

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